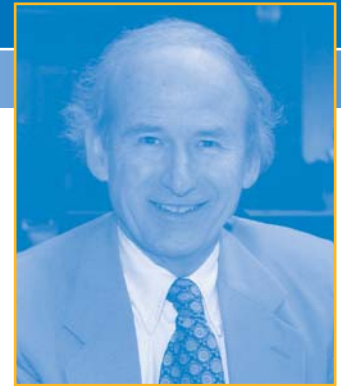


State Representative John J. Day



Spring, 2005

Dear Friend,

When the history of our recently concluded session is written, the question may be what were our priorities? A new stadium, but urban school districts like IPS will have less state aid. There were a number of tax breaks for businesses, but no increase in the minimum wage.

We continue to demand that our schools do a better job, but provided no new money for remedial services nor did we fund full-day kindergarten. Over 200,000 adult workers are without health insurance and we offered no remedy for them nor did we respond to the needs of senior citizens—especially those in nursing homes.

On the plus side, the economic development programs offered by Governor Daniels will hopefully result in more jobs. Vulnerable children will be better served by a new law adding more child protection case workers and the new position of Inspector General, if managed in a professional, non-partisan manner will improve state government.

In this newsletter let me review a new law extending the Earned Income Tax Credit, a proposal to increase the minimum wage plus a proposed amendment to our property tax law that would encourage home improvements.

In the Good News Department let me offer best wishes to the 205 high school seniors in our district who are going on to college as part of the 21st Century Scholars Program.

Finally, please remember in your prayers my friend and long-time Democratic precinct worker Bill Eads who recently died. Let me encourage your response to the newsletter. Problems remain, but I am hopeful about the future of our community and honored to be your representative.

All the best,

Session
Report



Good News Department



Let me congratulate the 205 graduating high school seniors in our district (from Manuel, Seccina and Tech High Schools) who will be attending college as participants in the 21st Century Scholars program. This 15-year-old program has enabled several thousand students to pursue a college education who otherwise might not have. It is a good example of what can happen when talent and opportunity come together.

Some of the scholarship winners visited the Statehouse in March. One of the student visitors was Julie Davis of Tech High School (pictured to the left). Like many of the others, she is a good student and active in school and in the community. Julie is an honor roll student, captain of the volleyball team and a volunteer at the YMCA.

In addition to the students, let me express my good wishes to their parents, grandparents, other supportive relatives, friends, teachers and counselors who encourage these talented young people.

Earned Income Tax Credit (EITC) Extended

Seventeen states including our own have adopted a state version of the popular federal Earned Income Tax Credit. The Indiana EITC enacted in the late '90s was to expire (sunset) December 31, 2005. Representative Michael Murphy (R-Indianapolis) and I both had bills to remove the sunset and make it permanent.

In a thoughtful gesture, Mike suggested I become a co-sponsor of his bill (HB 1083) and I did. The bill was amended in the Senate to extend it until December 31, 2011, rather than our preferred permanent plan.

Just the same, this is victory for tax fairness that

will continue to benefit over 400,000 Indiana workers and their families earning less than \$35,000 a year. It is expected that over \$50 million will be returned to them each year.



Minimum Wage Increase Stalled

Indiana and 42 other states have minimum wage laws to cover those workers not protected by the federal minimum wage. Generally these state laws cover workers in smaller businesses not engaged in interstate commerce.

Both the federal and the Indiana law are at \$5.15 with no increase since 1997-98. I sponsored HB 1146 which would have raised it to \$7 in three steps by September 2006. The bill was not given a hearing.

Indiana should join the 16 other states that have raised their minimum wage beyond the federal rate. This is especially important now because the federal law provides that when a state minimum wage rate is higher than the federal one, the higher state rate applies to all workers covered by both federal and state law.

Whenever we raise the minimum wage we also recognize the worth and dignity of those covered by the law.

Guest Reader

One of the benefits of being your representative is the opportunity to visit a number of schools, churches, neighborhood groups and community organizations.

One of my favorite assignments is being a guest reader at some of the schools. This spring I was a volunteer reader at St. Philip Neri School, IPS #81, and Harshman Middle School (IPS #101).

We adults, especially parents and grandparents, can strengthen the chance for our children to succeed later in life if we encourage them to read and read to them in their early formative years.



MARRIAGE IN INDIANA

Having received several letters and e-mails on SJR 7 (ban on same sex marriage) let me share a few thoughts.

Within my own conscience if I believed that this amendment would help strengthen marriage I would have voted yes, but it does not. It does not respond to the need for greater preparation before entering marriage nor does it address the causes of our tragic 50 percent divorce rate.

We already have a 1997 law, Indiana Code 31-11-1, that was upheld four months ago by the Indiana Court of Appeals.

This law states "Same sex marriage prohibited. Sec 1 (a) Only a female may marry a male. Only a male may marry a female. (b) A marriage between persons of the same gender is void in Indiana."

Contact

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Property Tax Reform

A concern I heard several times while going door-to-door last year was that the property tax acts as a disincentive for home owners to fix up or improve their property. They improve their home and their property tax goes up.

Representative Jeff Espich (R-Uniondale) had an innovative idea to respond to this problem by suggesting a three year phase-in deduction rather than paying the full amount of the increased property tax following reassessment. I suggested a five year phase-in and we settled on a four-year plan.

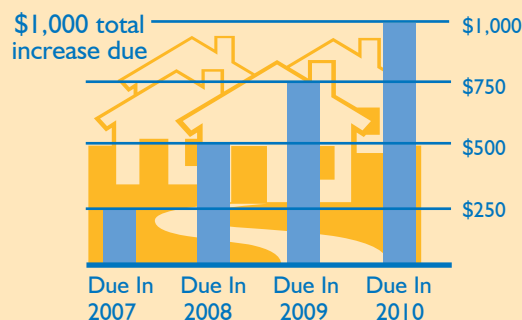
This concept was approved in the House, but unfortunately later deleted in a conference committee. I plan to work on this reform in the 2006 session.

Here is how it would work.

Say a person improves his or her home in 2006 and the new tax bill is \$1,000 higher following reassessment. Rather than pay the full \$1,000 increase in 2007, the person would pay \$250 that year, \$500 in 2008, \$750 in 2009 and the full amount \$1,000 in 2010.

Proposed Phase-In Would Have Limited Property Tax Increases

Under the proposed bill, if a homeowner's improvements made in 2006 caused their property taxes to increase by \$1,000, this amount would have been paid in increments—rather than at once—as illustrated below.



Representative John Day

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